

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;  
Nanci E. Langley, Vice Chairman;  
Mark Acton; and  
Robert G. Taub

Meridian Post Office  
Meridian, New York

Docket No. A2011-66

ORDER AFFIRMING DETERMINATION

(Issued January 5, 2012)

I. INTRODUCTION

On December 15, 2011, the Postal Service advised the Commission that it “will delay the closing or consolidation of any Post Office until May 15, 2012.”<sup>1</sup> The Postal Service further indicated that it “will proceed with the discontinuance process for any Post Office in which a Final Determination was already posted as of December 12, 2011, including all pending appeals.” *Id.* It stated that the only “Post Offices” subject to closing prior to May 16, 2012 are those that were not in operation on, and for which a Final Determination was posted as of, December 12, 2011. *Id.* It affirmed that it “will not close or consolidate any other Post Office prior to May 16, 2012.” *Id.* at 2. Lastly,

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<sup>1</sup> United States Postal Service Notice of Status of the Moratorium on Post Office Discontinuance Actions, December 15, 2011, at 1 (Notice).

the Postal Service requested the Commission “to continue adjudicating appeals as provided in the 120-day decisional schedule for each proceeding.” *Id.*

The Postal Service’s Notice outlines the parameters of its newly announced discontinuance policy. Pursuant to the Postal Service’s request, the Commission will fulfill its appellate responsibilities under 39 U.S.C. § 404(d)(5).

On September 7, 2011, Beth Dishaw (Petitioner) filed a petition with the Commission seeking review of the Postal Service’s Final Determination to close the Meridian, New York post office (Meridian post office).<sup>2</sup> The Final Determination to close the Meridian post office is affirmed.

## II. PROCEDURAL HISTORY

On September 13, 2011, the Commission established Docket No. A2011-66 to consider the appeal, designated a Public Representative, and directed the Postal Service to file its Administrative Record and any responsive pleadings.<sup>3</sup>

On September 22, 2011, the Postal Service filed the Administrative Record with the Commission.<sup>4</sup> The Postal Service also filed comments requesting that the Commission affirm its Final Determination.<sup>5</sup>

Petitioner filed a participant statement supporting her petition.<sup>6</sup>

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<sup>2</sup> Petition for Review received from Beth Dishaw regarding the Meridian, New York Post Office 13113, September 7, 2011 (Petition).

<sup>3</sup> Order No. 850, Notice and Order Accepting Appeal and Establishing Procedural Schedule, September 13, 2011.

<sup>4</sup> The Administrative Record is attached to the United States Postal Service Notice of Filing, September 22, 2011 (Administrative Record). The Administrative Record includes, as Item No. 47, the Final Determination to Close the Meridian, NY Post Office and Establish Service by Rural Route Service (Final Determination).

<sup>5</sup> United States Postal Service Comments Regarding Appeal, November 3, 2011 (Postal Service Comments). The Postal Service also filed Motion of The United States Postal Service for Late Acceptance of United States Postal Service Comments, November 3, 2011. The motion is granted.

<sup>6</sup> Participant Statement from Beth Dishaw Regarding the Meridian, NY Post Office 13113, October 12, 2011 (Participant Statement).

A request for suspension of closure was included with the Petition. The Postal Service subsequently informed the post office that no action should be taken until completion of this appeal. Administrative Record, Item No. 51.

### III. BACKGROUND

The Meridian post office has provided retail postal services and service to 120 post office box customers. Final Determination at 2. No delivery customers were served through this post office. The Meridian post office, an EAS-11 level facility, had retail access hours of 8:00 a.m. to 1:00 p.m. and 2:00 p.m. to 5:00 p.m., Monday through Friday, and 8:00 a.m. to 12:00 p.m. on Saturday. *Id.* Lobby access hours were the same as retail access hours. *Id.*

The postmaster position became vacant on November 3, 2010, when the Meridian postmaster retired. An officer-in-charge (OIC) was installed to operate the post office. Retail transactions averaged 27 transactions daily (31 minutes of retail workload). Post office receipts for the last three years were \$77,761 in FY 2008; \$75,526 in FY 2009; and \$76,075 in FY 2010. There were no permit or postage meter customers. *Id.* By closing this post office, the Postal Service anticipates savings of \$34,807 annually. *Id.* at 8.

After the closure, retail services will be provided by the Cato post office located approximately 2 miles away.<sup>7</sup> Delivery service will be provided by rural carrier through the Cato post office. The Cato post office is an EAS-16 level office, with retail hours of 8:30 a.m. to 11:00 a.m. and 12:30 p.m. to 5:00 p.m., Monday through Friday, and 9:00 a.m. to 11:30 a.m. on Saturday. Ninety-two post office boxes are available. *Id.* The Postal Service will continue to use the Meridian name and ZIP Code. *Id.* at 7, Concern No. 1.

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<sup>7</sup> *Id.* at 2. MapQuest estimates the driving distance between the Meridian and Cato post offices to be approximately 2.34 miles (4 minutes driving time).

#### IV. PARTICIPANT PLEADINGS

*Petitioner.* Petitioner opposes the closure of the Meridian post office. Petitioner contends that closure will negatively impact the Meridian community. Petition at 1. She is particularly concerned that Meridian residents be able to use the town name and ZIP Code as she believes that customers who choose home delivery will be required to change their address to Cato. Petitioner contends that after the closure of the Meridian post office, the community will no longer receive regular and effective postal services. *Id.* She states that the town's senior citizens can walk to the Meridian post office, but they would have further to travel to the Cato post office, which would be a hardship for many of them. *Id.*; Participant Statement at 2. Petitioner also questions the Postal Service's calculation of economic savings. Petition at 1. She contends that the Meridian post office should not be closed because it is profitable. She further asserts that, if the Meridian post office is closed, customers will resort to other businesses for service, such as using UPS or FedEx, or will switch to online bill payment. *Id.* The Participant statement reiterates other concerns raised in the Petition. Participant Statement 1-3.

*Postal Service.* The Postal Service argues that the Commission should affirm its determination to close the Meridian post office. Postal Service Comments at 2. The Postal Service believes the appeal raises three main issues: (1) the effect on postal services; (2) the impact on the Meridian community; and (3) the economic savings expected to result from discontinuing the Meridian post office. *Id.* at 1. The Postal Service asserts that it has given these and other statutory issues serious consideration and concludes the determination to discontinue the Meridian post office should be affirmed. *Id.* at 11.

The Postal Service explains that its decision to close the Meridian post office was based on several factors, including:

- the postmaster vacancy;
- a minimal workload and declining post office revenue;

- a variety of other delivery and retail options (including the convenience of rural delivery and retail service);
- little recent growth in the area; and
- expected financial savings.

*Id.* at 4. The Postal Service contends that it will continue to provide regular and effective postal services to the Meridian community when the Final Determination is implemented. *Id.*

The Postal Service also asserts that it has followed all statutorily required procedures and addresses the concerns raised by Petitioner regarding the effect on postal services, effect on the Meridian community, economic savings, and effect on postal employees. *Id.* at 11.

## V. COMMISSION ANALYSIS

The Commission's authority to review post office closings is provided by 39 U.S.C. § 404(d)(5). That section requires the Commission to review the Postal Service's determination to close or consolidate a post office on the basis of the record that was before the Postal Service. The Commission is empowered by section 404(d)(5) to set aside any determination, findings, and conclusions that it finds to be (a) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law; (b) without observance of procedure required by law; or (c) unsupported by substantial evidence in the record. Should the Commission set aside any such determination, findings, or conclusions, it may remand the entire matter to the Postal Service for further consideration. Section 404(d)(5) does not, however, authorize the Commission to modify the Postal Service's determination by substituting its judgment for that of the Postal Service.

### A. Notice to Customers

Section 404(d)(1) requires that, prior to making a determination to close any post office, the Postal Service must provide notice of its intent to close. Notice must be given

60 days before the proposed closure date to ensure that patrons have an opportunity to present their views regarding the closing. The Postal Service may not take any action to close a post office until 60 days after its determination is made available to persons served by that post office. 39 U.S.C. § 404(d)(4). A decision to close a post office may be appealed within 30 days after the determination is made available to persons served by the post office. 39 U.S.C. § 404(d)(5).

The record indicates the Postal Service took the following steps in reaching its Final Determination. On April 25, 2011, the Postal Service distributed questionnaires to customers regarding the possible change in service at the Meridian post office. Final Determination at 2. A total of 122 questionnaires were distributed and 58 were returned. On May 4, 2011, the Postal Service held a community meeting at the Meridian post office lobby to address customer concerns. Thirty customers attended. *Id.*

The Postal Service posted the proposal to close the Meridian post office with an invitation for comments at the Meridian and Cato post offices for approximately 60 days, from May 21, 2011 through July 22, 2011. *Id.* The Final Determination was posted at the same two post offices for approximately 30 days, from August 24, 2011 through September 25, 2011. *Id.* at 1.

The Postal Service has satisfied the notice requirements of 39 U.S.C. § 404(d).

#### B. Other Statutory Considerations

In making a determination on whether to close a post office, the Postal Service must consider the following factors: the effect on the community; the effect on postal employees; whether a maximum degree of effective and regular postal service will be provided; and the economic savings to the Postal Service. 39 U.S.C. § 404(d)(2)(A).

*Effect on the community.* Meridian, New York is an incorporated community located in Cayuga County, New York. Administrative Record, Item No. 16. The community is administered politically by the Village of Meridian. Police protection is provided by the Cayuga County Sheriff. Fire protection is provided by the Meridian

Volunteer Fire Department. The community is comprised of retirees, commuters, and the self-employed. *Id.* Residents may travel to nearby communities for other supplies and services. See *generally* Administrative Record, Item No. 22 (returned customer questionnaires and Postal Service response letters).

As a general matter, the Postal Service solicits input from the community by distributing questionnaires to customers and holding a community meeting. The Postal Service met with members of the Meridian community and solicited input from the community with questionnaires. In response to the Postal Service's proposal to close the Meridian post office, customers raised concerns regarding the effect of the closure on the community. Their concerns and the Postal Service's responses are summarized in the Final Determination. Final Determination at 2-8.

Petitioner contends that closing the Meridian post office will negatively impact the community because it will result in a loss of community identity. Petition at 1. She believes that customers who choose home delivery will no longer be able to use the Meridian name and ZIP Code, and will be required to change their address to Cato. *Id.* The Postal Service states that it considered the issue and explains that while community identity "derives from the interest and vitality of its residents," the community name and ZIP Code will be preserved for those who convert to carrier delivery. Postal Service Comments at 8.

The Postal Service has adequately taken the effect of the post office closing on the community into account.

*Effect on employees.* The Postal Service states that the Meridian postmaster retired on November 3, 2010 and that an OIC has operated the Meridian post office since then. Final Determination at 8. It asserts that after the Final Determination is implemented, the temporary OIC will either be reassigned or separated and that no other Postal Service employee will be adversely affected. *Id.* at 9.

The Postal Service has considered the possible effects of the post office closing on the OIC when it stated that the OIC may be reassigned or separated. This satisfies

the Postal Service's obligation to consider the effect of the closing on employees at the Meridian post office as required by 39 U.S.C. § 404(d)(2)(A)(ii).

*Effective and regular service.* The Postal Service contends that it has considered the effect the closing will have on postal services provided to Meridian customers. Postal Service Comments at 4. The Postal Service asserts that customers of the closed Meridian post office may obtain retail services at the Cato post office located 2 miles away. Final Determination at 2. Delivery service will be provided by rural carrier through the Cato post office. *Id.*

For customers choosing not to travel to the Cato post office, the Postal Service explains that retail services will be available from the carrier. *Id.* The Postal Service adds that it is not necessary to meet the carrier for service since most transactions do not require meeting the carrier at the mailbox. *Id.*

Petitioner contends that after the closure of the Meridian post office, the community will no longer receive regular and effective postal services. Petition at 1. She states that the town's senior citizens can walk to the Meridian post office, but would have to travel further to the Cato post office. *Id.*; Participant Statement at 2. The Postal Service states that Meridian residents will continue to receive regular and effective postal services from a rural carrier. Postal Service Comments at 5. It also states that, in hardship cases, delivery can be made to a customer's home. *Id.*

There are 120 post office box customers in Meridian and 92 available post office boxes in Cato. Final Determination at 2. Petitioner believes there may be customers who choose home delivery. Petition at 1. As noted, the Postal Service states that delivery service will be provided by rural carrier through the Cato post office and that these services will be provided by the carrier to a roadside mailbox located close to customers' residences. Final Determination Item 7 and 11 at 3. As the Commission has stated, the Postal Service should ensure an adequate number of post office boxes will be available at the alternate post office to meet demand.<sup>8</sup>

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<sup>8</sup> Docket No. A2011-62, Order Affirming Determination, Order No. 1068, December 22, 2011.



Throughout the Administrative Record the Postal Service states affirmatively that customers who choose will receive street delivery. Final Determination Item 7 and 11 at 3 and Postal Service Comments at 5. However, the Postal Service states in its most recent comments that they are “considering adding street delivery for customers who may not have had it in the past.” Postal Service Comments at 5. This statement appears to be inconsistent with the rest of the Administrative Record. The Postal Service should take more care to make its Final Determination and Comments free from ambiguities.

The Postal Service has satisfied its obligation to consider whether the replacement service it proposes is effective and regular service, as required by 39 U.S.C. § 404(d)(2)(a)(iii).

*Economic savings.* The Postal Service estimates total annual savings of \$34,807. *Id.* at 8. It derives this figure by summing the following costs: postmaster salary and benefits (\$44,279) and annual lease costs (\$6,388), minus the cost of replacement service (\$15,860). *Id.*

Petitioner contends that the Meridian post office should not be closed because it is profitable, and the economic savings would be lower because customers will use alternate service if the post office closes. Petition at 1. The Postal Service contends that, while it considers many factors in a discontinuance study, including workload, alternative access, and revenue trends, profitability is not one of those factors. Postal Service Comments at 9-10.

The Commission has previously stated that the Postal Service should not compute savings based on compensation costs that are not eliminated by the discontinuance of a post office. The Meridian postmaster retired on November 3, 2010. Final Determination at 2. The office had since been run by an OIC who, upon discontinuance of the post office, may be separated from the Postal Service. *Id.* The postmaster position and the corresponding salary will be eliminated. See, e.g., Docket No. A2011-67 United States Postal Service Comments Regarding Appeal, October 24, 2011, at 13; and Docket No. A2011-68, United States Postal Service Comments

Regarding Appeal, November 2, 2011, at 10. Furthermore, notwithstanding that the Meridian post office has been staffed by an OIC for over a year, even assuming the use of the presumably lower OIC salary, the Postal Service would have satisfied the requirements of section 404(d)(2)(A)(iv).

The Postal Service has satisfied the requirement that it consider economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

## VI. CONCLUSION

The Postal Service has complied with all requirements of 39 U.S.C. § 404(d). Accordingly, its determination to close the Meridian, New York post office is affirmed.

*It is ordered:*

The Postal Service's determination to close the Meridian, New York post office is affirmed.

By the Commission.

Shoshana M. Grove  
Secretary

## DISSENTING OPINION OF CHAIRMAN GOLDWAY

The Administrative Record is inaccurate with regard to economic savings. As such, the Postal Service has not adequately considered economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service argues that savings should be calculated based on a full-time postmaster's salary. Yet the Meridian post office has been operated by a non-career Postmaster Replacement (PMR) since the former postmaster retired on November 3, 2010. On the one hand, the Postal Service argues that the effect on employees of this closing will be minimal; yet on the other hand, it argues that the savings should be calculated using a full-time position. In addition, the estimated savings do not appear to reflect the additional costs of moving post office boxes from the Meridian post office to the Cato post office. There are inherent and blatant contradictions in the record that must be corrected on remand.

It is not the statutory responsibility of the Postal Regulatory Commission to correct the record for the Postal Service and certainly not to make its own surmise about what and/or whether there would be savings if accurate data was in the record. Therefore, the decision to close should be remanded to the Postal Service to correct the record and present a more considered evaluation of potential savings.

Furthermore, the Final Determination indicates that the Meridian post office has 120 post office boxes. Final Determination at 2. By contrast, the replacement post office in Cato has only 92 post office boxes available. *Id.* There is no explanation of the effect on customers of this shortfall. Without a more complete explanation of how the closing of the Meridian post office will affect post office box customers, the Postal Service has not satisfied its obligation to consider whether the replacement service it proposes is effective and regular service as required by 39 U.S.C. § 404(d)(2)(a)(iii).

The Commission has recently issued its Advisory Opinion in Docket No. N2011-1, pointing to the fact that its closing plans do not optimize the network. In the case of Meridian, the failure to undertake actual retail network optimization is exhibited by the Postal Service selecting for closure a post office with strong revenue that actually increased from 2009 to 2010. This proposed closing should be reconsidered in this light as well.

Moreover, the Postal Service recently announced a moratorium on post office closings. It is confusing and perhaps unfair to require some citizens whose post offices have received a discontinuance notice as of December 12, 2011 to gather evidence and pursue an appeal to the Commission, while others whose post offices were in the review process but had not yet received a discontinuance notice by December 12, 2011 have the respite of a 5-month moratorium.

The citizens of Meridian, New York and their concerns regarding the loss of a neighborhood post office should be afforded the same opportunity to be heard and considered as the citizens of the approximately 3,700 post offices fully covered by the moratorium.

Ruth Y. Goldway

## DISSENTING OPINION BY VICE CHAIRMAN LANGLEY

The Postal Service did not adequately consider all requirements of 39 U.S.C. § 404(d).

The Postal Service did not adequately comply with 39 U.S.C. § 404(d)(2)(A)(iii) which requires that the Postal Service provide a maximum degree of effective and regular postal services to rural communities and small towns. The Postal Service indicates that the Meridian post office has 120 post office box holders and that the proposed Administrative Office, Cato post office, has 92 post office boxes available. Final Determination at 2. Should all current post office box holders opt for a post office box, it appears that the Cato post office does not have enough available post office boxes to accommodate the Meridian post office box holders.

In addition, the Postal Service did not adequately consider the economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service should take into consideration that since November 3, 2010, a non-career postmaster relief (PMR) has been in charge of this facility, not an EAS-11 postmaster. The PMR's salary and benefits should be reflected in the Postal Service's cost savings analysis.

As a government entity, the Postal Service should ensure that its cost/benefit analysis accurately identifies capturable cost savings and does not overstate savings, and that the community will continue to receive a maximum degree of effective and regular postal services.

I find that the Postal Service's decision to discontinue operations at the Meridian post office is unsupported by evidence on the record and thus, should be remanded.

Nanci E. Langley